



**REQUEST FOR PROPOSAL
RFP AGRA-NB-1278**

**CONSULTANCY FOR BUSINESS DEVELOPMENT SERVICES FOR AGRO MICRO, SMALL
AND MEDIUM ENTERPRISES (MSMES)**

Disclaimer | AGRA reserves the right to determine the structure of the process, number of short-listed participants, the right to withdraw from the proposal process, the right to change this timetable at any time without notice and reserves the right to withdraw this tender at any time, without prior notice and without liability to compensate and/or reimburse any party.

Section 1: Synopsis of the Request for Proposal

a) Solicitation Reference No.	RFP AGRA-NB-1278
b) Title of Consultancy	Consultancy for Business Development Services for Agro Micro, Small and Medium Enterprises (MSMEs).
c) Eligibility	Consultancy firms legally registered in Kenya
d) Location of the assignment	Kenya
e) Type of Consultant	Consultancy firm
f) Issuing Office & Address	AGRA, Nairobi West End Towers, 4th Floor Muthangari Drive, off Waiyaki Way Nairobi Website: www.agra.org
g) Point of contact for clarifications and questions	AGRA, General Procurement Email: Procurement@agra.org
h) Bid Submission	Electronically via the AGRA Oracle SCM System.
i) Solicitation Issue Date	As per "Open Date" on AGRA's Oracle system
j) Date of pre-bid conference	4 th March, 2025 Interested bidders are requested to register on the link below by 1700 hours, March 3 rd , 2025. A Microsoft Teams link for the pre-bid meeting will be shared with bidders who will have registered. For Registration Link click: HERE
k) Deadline for submission of questions and clarifications	5 th March 2025
l) Deadline for Answering questions and clarifications	7 th March 2025
m) Deadline for Submission of Proposals	As per "Close Date" on AGRA's Oracle System
n) Selection method	Quality and Cost Selection Method (QCBS) Weightage: Technical – 80%; Financial – 20%

1. Introduction

AGRA invites qualified consulting firms to submit proposals for a Consultancy for business development services for Agro MSMEs. This document outlines the requirements and guidelines for the submission of proposals.

2. Background

AGRA is a not-for-profit organization working with African governments, other donors, NGOs, the private sector, and farmers to improve the productivity and incomes of resource-poor smallholder farmers in Africa. AGRA aims to catalyze an inclusive agricultural transformation in Africa by increasing incomes and improving food security for millions of smallholder farmers in Africa. For more information about AGRA, please visit www.agra.org.

AGRA in partnership with the Government of Kenya, International Fund for Agricultural Development (IFAD), Financial Sector Deepening-Kenya (FSD-K), Cordaid and other Partners are implementing a six-year Programme: Rural Kenya Financial Inclusion Facility (RK-FINFA) with the objective of increasing rural financial inclusion and green investments by agriculture value chain stakeholders.

As part of the Implementation of RK-FINFA, the Government of Kenya in collaboration with AGRA is seeking bids from qualified Technical Service Providers (TSPs) to implement the Technical Support and Innovation Services (TSIS) whose aim is to enhance the capacities of selected financial institutions, smallholder producers and allied agribusinesses to avail and increase the uptake of financial services and products under RK-FINFA. The successful applicants under this specific call for proposals will work under the direct supervision of AGRA to develop a plan for and engage in the capacity building of at least 750 agro Medium and Small Scale Enterprises (MSMES) in the 7 counties¹ that AGRA is implementing the RK-FINFA Project in view of improving the financial literacy of farmers and their eligibility for green financing Facility(GFF) offered through MFIs and SACCOs & Rural Credit Guarantee offered through the commercial banks.

¹ Kirinyaga, Nyeri, Embu, Machakos, Meru, Tharaka Nithi and Nakuru

3. Overview of the RK-FINFA Project

The Government of Kenya (GoK) and International Fund for Agricultural Development (IFAD) entered into a financing agreement on June 2, 2022, to fund a six-year development project, the Rural Kenya Financial Inclusion Facility (RK-FINFA). This project is a follow-on to the Programme for Rural Outreach of Financial Innovations and Technologies (PROFIT) which piloted several financing models including, the wholesale to SACCOs, anchor borrower, and innovations in business development services for producer groups.

The Goal of RK-FINFA is “poverty reduction, climate change resilience and improved livelihoods in rural areas”. The Development Objective is “increased rural financial inclusion and green investments by agriculture value chain stakeholders, leading to equitable employment opportunities, innovative and resilient production systems, and increased incomes for smallholders, poor and marginalized rural households, women and youth”.

The project which has a nationwide coverage when fully operational will initially (for two years) be implemented in fourteen counties where at least two IFAD supported value chain projects are being or have been implemented. These 14 counties include: Kirinyaga, Nyeri, Embu, Machakos, Meru, Tharaka Nithi and Nakuru, in the Central and Eastern regions and Kisii, Siaya, Nandi, Trans Nzoia, Bungoma, Busia and Kakamega in the Western regions. The project has three mutually reinforcing components outlined below:

Component 1: Technical Support and Innovation Services (TSIS); with its subcomponents

- i) Capacity building for rural outreach, and innovations
- ii) Business Development Services for Agribusinesses and Smallholders including financial literacy for Smallholders and business development services for MSMEs

Component 2: Rural Investment Instruments

- i) Rural Credit Guarantee Scheme R-CGS and
- ii) Green Financing Facility (GFF).

Component 3: Enabling Rural Finance Policy Environment and Project Coordination.

- i) Enabling Rural Finance Environment (digital innovations to reduce risk of lending to agriculture).
- ii) Programme implementation

Technical Support and innovation Services (TSIS)–Component 1

Component 1: Technical Support and Innovation Services (TSIS). This component is composed of two fully inter-linked sub-components, i.e. (i) strengthen Participating Financial Institution (PFI) capacities for innovation, rural outreach and green finance services in Kenya, and (ii) build MSME and smallholder sustainable investment capacities and financial literacy skills particularly tailored to reach women, youth and marginalized groups. The TSIS packages will support the PFIs in the implementation of the rural investment instruments, in line with each PFI's respective rural and agriculture finance strategy.

Sub-component 1.1: PFI Capacity Building for Rural Outreach and Innovation. The expected outputs of this sub-component are: (i) the capacity of five (5) participating commercial banks, six Micro Finance Banks and 30 Deposit Taking-SACCOs improved to provide rural and agriculture financial services including products tailored to reach 30 per cent youth and 50 per cent women; (ii) the capacity of all 41 PFIs built to implement and monitor green investment portfolios; and (iii) Environmental and Social Management Systems operationalized/strengthened by 41 PFIs.

Sub-component 1.2: Business Development Services for Agribusinesses and Smallholders. The expected outputs of this subcomponent are: (i) 1,500 small and microenterprises receive Business Development Services (BDS) and can submit bankable business plans; and (ii) 50,000 male and female smallholder producers receive financial literacy training including for preparation of simple business plans appropriate for SACCO/MFB loan applications. The BDS is a key tool for social inclusion targeting of RK-FINFA: minimum of 50 per cent women and 30 per cent youth are included among all BDS clients.

Both aspects of the TSIS, supply and demand side, will be embedded into the rural growth strategies of Participating Financial Institutions to foster sustainability and

scalability and support the effective use of the resources provided through the project's Investment Instruments in component 2.

4. Objectives of the assignment

Objective of this assignment is to strengthen capacities of at least 750 medium and small-scale agribusinesses in basic business development skills such as preparing and presenting bankable business plans/proposals and greening practises (demand side). This is meant to enhance their capacity to qualify for credit from the participating financial institutions – Savings and Credit Cooperative Societies (SACCOS) & microfinance Institutions (MFIs) under the green financing facility (GFF) and the Rural Credit Guarantee Facility offered under the commercial banks. The key technical support areas will be to expand the financial literacy skills of the small-scale producers.

5. Scope of Work

The envisaged tasks on the demand side of GFF & R-CGS include:

- i. Selection of MSMEs agro enterprises; The TSP shall identify potential MSMEs that participate in smallholder value chains and other aspects of the rural economy. AGRA and the TSP will jointly develop selection criteria to ensure that the participating SMEs are truly value-adding to the livelihoods of people in the rural areas.
- ii. Assess and validate the capacity needs of the selected agribusiness to be reached under the program.
- iii. Design, prepare and customize the capacity building module based on the specific needs of each MSME.
- iv. Deliver a capacity building plan with clear, practical, efficient/effective and innovative delivery approaches such as cohort-based training and in person coaching and mentoring and peer learning/exchange programs.
- v. Implement the capacity building plan for the MSME to address the gaps and needs identified in the assessment/validation exercise including green practises, market linkages and use of gender action learnings.
- vi. Support the Agro MSMEs in preparing bankable business plans that are solid, reliable and can be relied upon by the PFIs in making credit decisions and have the potential to lower the time spent in assessing the loan applications.

- vii. In close collaboration with the PFIs ensure that the agro MSMEs get an understanding of the lending products, how to apply for them and how the uptake can be improved through various capacity building initiatives.
- viii. Deliver the training modules at a venue/channel and time that is convenient and accessible to the agro MSMEs taking into account the dynamics of each cohort participant such as lactating mothers, the disabled and the economic activity of each participant to ensure inclusivity and safeguarding.
- ix. Support development of knowledge management products in collaboration with AGRA and RK- FINFA Project Management Unit at the National Treasury.
- x. Conduct monitoring, evaluation and reporting in alignment with the RK- FINFA M&E framework.
- xi. Implement women, youth and social inclusion strategies in the training sessions with a focus on equipping the smallholder producer groups with business development services and adequate financial literacy skills.

6. Complementarities with other projects

The TSP will be expected to work closely with projects that complement the objectives of RK FINFA, and to leverage on these to create synergies between RK FINFA activities and the on-going activities under IFAD funded projects and AGRA funded projects.

Cross-cutting themes to be mainstreamed in all project activities

- Gender, women and youth inclusion at a minimum of 50% for women and 30% for youth
- Environment and climate change adaptation and mitigation measures
- Scaling up and sustainability of project outcomes

The TSP will be expected to develop adapted risk mitigation strategies, specific strategies for women and youth and for environment and climate change adaptation and mitigation and ensure that approaches and services developed are sustainable and scalable.

7. Monitoring and Evaluation Framework

The expected outcome of the TSIS business development and farmer financial literacy sub-component is to have 750 agro MSMES capacitated, have developed bankable business plans and linked to access finance through the participating financial intermediaries. It is expected that after receiving the business advisory support services, the agro MSMES will have clarity on the potential of their business to obtain, absorb and service a loan for sustaining and scaling their operations.

Expected outputs would include:

- i. Building the business development skills and on green business practices of 750 agro enterprises with 30 per cent being youth and 50 per cent being women, measured through a standardized performance assessment or rating tool and agreed upon monitoring and evaluation indicators.
- j. 750 agro MSMES having bankable business plans and are linked to access finance from the participating PFIs.
- k. 750 agro enterprises trained, mentored and coached (disaggregated by gender and age) on business development skills and on green business practices.

8. Reports and schedule of deliverables

- i. The TSP shall Prepare and submit quarterly and annual progress reports to AGRA and reports of any workshop or training conducted in the formats agreed upon with AGRA.
- ii. The Consultant shall also submit certified deliverable reports on the preparation of training materials and delivery of trainings.
- iii. The TSP shall support the project's implementation support and supervision missions from IFAD.

8. Location and nature of the assignment

The location of the assignment shall be in Kenya coordinated by AGRA and RK FINFA PMU. Within the first two years of the project, field activities will be conducted within the seven counties namely Nyeri, Embu, Meru, Tharaka Nithi, Kirinyaga, Nakuru, and Machakos each of which hosts at least two IFAD supported value chain projects. Thereafter the geographic scope will expand to other rural counties in Kenya based on the demand for the financial services being provided by the project.

A TSP is expected to deeply collaborate with a PFI working in the specific allocated County. A TSP will be allocated a specific county to ensure that there is no overlap. One TSP will be selected to do the capacity building of agro MSMEs.

9. Duration

The assignment is expected to be carried out over a period of 24 months.

10. Reporting, Communication and Coordination

The project TSPs will work under the direct supervision and oversight of the AGRA and may be linked up with the RK-FINFA PMU for data collection purposes. The consultant will report to AGRA's Head of Inclusive Finance, and the AGRA Country Director in Kenya. The reports will be submitted to AGRA's Head of Inclusive Finance.

11. Qualifications and Experience

a. Organizational Experience and Capability

1. Experience conducting similar work: Demonstrate a portfolio of at least 5 major projects in agricultural finance, financial literacy, or business development services, working with farmers, Bank, MFIs, SACCOs and agriSMEs, especially in partnership with international development agencies.
2. Experience and deep working knowledge of the seven (7) counties of intervention.
3. Experience in backward and forward linkages: Evidence of linking financial service providers with the demand side of financial services after interventions such as financial literacy training, business plan development for MSMEs, value chain integration, and green agricultural practices.
4. Expertise in knowledge management: Proven ability to develop training materials, knowledge products, and digital platforms that enhance capacity building for rural communities.
5. Track record in gender and youth inclusion: Success in implementing projects where 50% women and 30% youth participation has been achieved.
6. Legally registered in Kenya: A Kenyan-registered entity with compliance to local laws, tax obligations, and labor regulations.

b. Team composition

The consulting firm will assemble a team of multidisciplinary professionals who have wide experience and competence in the following fields:

- i. Inclusive finance – Team Leader
- ii. Business Advisory Services Expert
- iii. Monitoring and evaluation & Knowledge management
- iv. Green and climate Smart expert
- v. Gender and Inclusivity expert

The specific qualifications of the experts will be:

Key expert 1: Team leader and inclusive finance expert

- i. Master's degree in economics, finance, business administration or any related field.
- ii. Demonstrated experience in designing and implementing Inclusive Finance programs at MFI and SACCO level including developing financial literacy programs for smallholders.
- iii. Familiarity with Green Finance practices, value chain finance and digital finance products, to make financial services systems work for agricultural SMEs and smallholder farmers that are active in food crops and livestock value chains.
- iv. The expert should have a minimum of 15 years of experience in inclusive finance with hands-on experience with rural finance development services.

Key expert 2: Business advisory services expert

- i. Master's degree in economics, finance or any related field.
- ii. Demonstrated experience in development in group training on financial literacy management and group dynamics, governance, regulation and management in the rural finance sector.
- iii. The expert should have a minimum of 7 years of experience in business advisory services with a heavy focus on packaging, structuring and positioning small business enterprises for capital absorption and scaling to the next level.

Key expert 3: Monitoring, evaluation and knowledge management expert

- i. Master's degree in economics, development studies or any other related field.
- ii. Experience in monitoring, evaluation and knowledge management in development projects.

- iii. Practical knowledge of digital management information systems with good understanding of logical framework development and utilization.
- iv. This expert should have a minimum of 5 years in monitoring, evaluation and knowledge management.

Key expert 4: Green and climate smart expert

- i. Bachelor's degree in agriculture, agricultural economics, agribusiness or any other related field.
- ii. Experience in development of agricultural value chains and linkage to markets is desirable.
- iii. Knowledge of green investment practices at farmer level is mandatory.
- iv. This expert should have a minimum of 5 years in climate smart agriculture and greening practices in food systems.

Key expert 5: Gender and Inclusivity expert

- i. Bachelor's degree in Gender studies, Community development or a related field.
- ii. Experience in gender analysis, gender mainstreaming, social inclusion and proficiency in designing inclusive programs for marginalized population.
- iii. Knowledge of gender equality, women and youth empowerment; Gender transformative approaches like Gender Action Learning system (GALS) methodology.
- iv. This expert should have a minimum of 5 years in inclusive development programming.
- v.

It is expected that the proposed team can demonstrate experience in green investments practices and financing for the project targets (smallholder farmers and rural MSMEs).

12. Evaluation Criteria

a) Mandatory Requirements if firms are targeted:-

- i) Company profile.
- ii) Trading license or Certificate of incorporation or Certificate of Registration
- iii) Valid Tax Compliance certificate
- iv) CVs of Key personnel.

b) Technical Evaluation Criteria Summary

Interested firms shall be evaluated against the following technical evaluation criteria:

a. Organizational Experience in Similar Services (30%)

- i) Company profile, background, size, mission, and history.
- ii) Company accreditations, certifications, industry standards, or formal recognitions relevant to the services.
- iii) Experience conducting similar work: Demonstrate a portfolio of at least 5 major projects in agricultural finance, financial literacy, or business development services, working with farmers, Bank, MFIs, SACCOs and agriSMEs, especially in partnership with international development agencies.
- iv) Experience in backward and forward linkages: Evidence of linking financial service providers with the demand side of financial services after interventions such as financial literacy training, business plan development for MSMES, value chain integration, and green agricultural practices.
- v) Expertise in knowledge management: Proven ability to develop training materials, knowledge products, and digital platforms that enhance capacity building for rural communities.
- vi) Track record in gender and youth inclusion: Success in implementing projects where 50% women and 30% youth participation has been achieved.
- vii) Legally registered in Kenya: A Kenyan-registered entity with compliance to local laws, tax obligations, and labor regulations.

b. Proposed Approach, Methodology and Work Plan (30%)

- i) Demonstrated Understanding of the ToR
- ii) Understanding of the project/assignment requirements, practicality of the proposed approach and methodology relative to the context of the assignment, proposed work plan, staffing schedule, risk assessment and mitigation strategies integrated into the assignment, planning, appropriateness of the implementation schedule to the project timelines and project quality assurance measures.

c. Qualifications and Experience of Key Personnel (40%)

As outlined in section 11b above.

NB:

- Only Firms with the best technical proposal equal or above 75% shall be considered for financial negotiations.
- Weightage: Technical – 80%; Financial – 20%

13. Copyright

All materials / documents arising out of this consultancy work shall remain the property of AGRA.

14. Proposal Submission Requirements

- a. Technical Proposal (see template in annex 1)
 - Technical submission letter
 - Detailed reference list indicating the scope and magnitude of similar assignments carried out
 - Approach and methodology to deliver on the scope of work
 - CVs of key personnel
 - Staffing schedule
 - Proposed work plan.
- b. Financial Proposal (see template in annex 2)
 - Financial submission letter
 - Detailed cost breakdown (including fees, taxes, etc.)
 - Proposed Payment schedule based on deliverables or milestones

15. Payments

a. Invoices

The consultant shall submit invoices to AGRA as per guidance provided in the contract. Payments are made upon AGRA's approval of deliverables, which must incorporate AGRA's comments.

b. Reimbursable costs

Reimbursable expenses, pre-approved by AGRA, must be invoiced with valid receipts. They will be paid with the consultancy fees if documentation is complete and satisfactory.

16. Proposal Submission Instructions

Proposals shall be submitted electronically through our oracle system by the deadline indicated in the system.

- i. Bidders shall use the bid submission forms that have been provided under Annex 1 & 2.
- ii. The proposals **SHALL** be submitted via oracle system by the deadline indicated on the **oracle system**.
- iii. The Proposals shall be prepared in **English**.
- iv. Late submissions will not be accepted, as the system is configured to automatically reject proposals after the deadline. To avoid any issues, especially for new users, bidders are strongly encouraged to submit proposals at least one day before the deadline.
- v. AGRA assures bidders that we can't access proposals before the deadline provided by the system.
- vi. **VALIDITY** of the proposal shall be for a period of **90 days** from the date of bid closure.
- vii. The detailed financial proposal shall be uploaded under the lines section in oracle.
- viii. The financial proposal shall include all taxes. If the financial proposal is silent on taxes, AGRA shall assume that these are inclusive.
- ix. Prices must be quoted in Kenya Shillings (KES) currency. Contracting will be in Kenya Shillings and bidders are encouraged to have a KES bank account.
- x. Please note that the oracle system will seal the financial proposals until the technical evaluation is completed.
- xi. All communications regarding the RFP should be directed to procurement@agra.org

17. Contract template

Please refer to Annex 4 for the contract template.

18. Annexes

Annex 1: [FIRM- TECHNICAL PROPOSAL SUBMISSION FORM.docx](#)

Annex 2: [FIRM- FINANCIAL PROPOSAL SUBMISSION FORM \(KES\).docx](#)

Annex 3: AGRA Partner code of conduct: [LINK](#)

Annex 4- Contract template: [KE Consultancy Agreement \(Company\) .pdf](#)